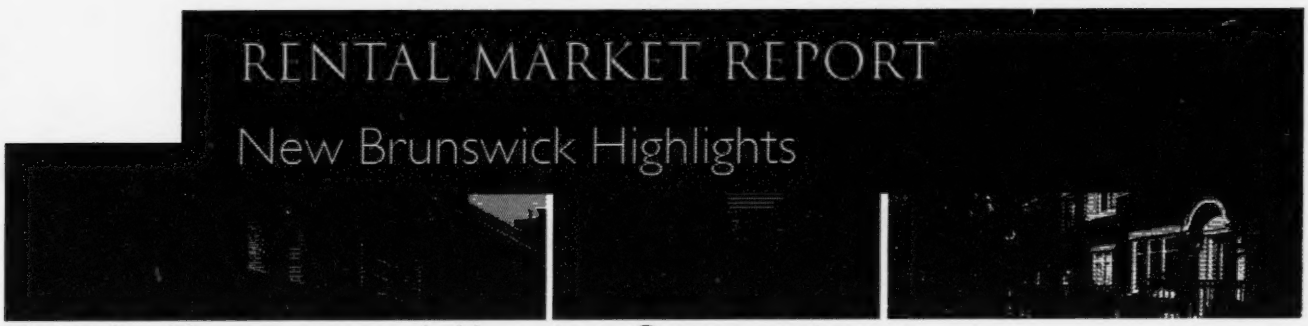
RENTAL MARKET REPORT

New Brunswick Highlights



Canada Mortgage and Housing Corporation

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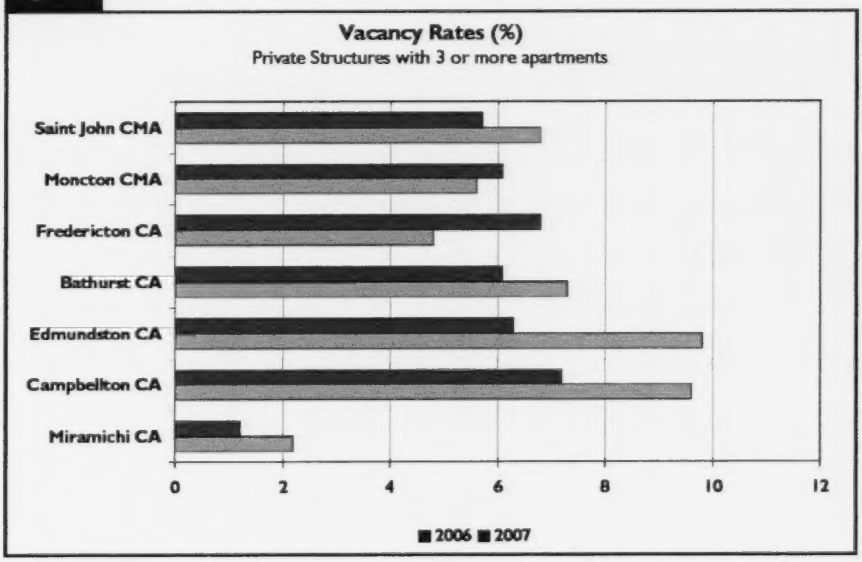
Vacancy Rates Comparable in Most Urban Centres

- In April, the overall vacancy rate in New Brunswick's urban centres stood at 6.0 per cent and the average rent was $579.
- The vacancy rate in the province's three large urban centres varied between a high of 6.8 per cent in Fredericton and a low of 5.7 per cent in Saint John. The vacancy rate in Moncton was 6.1 per cent.
- The average rent in two of the province's three major urban areas – Fredericton and Moncton - was above the provincial average of $579.

Figure 1



In this Issue

1 Vacancy Rates Comparable in Most Urban Centres

2 Overview

2 Vacancy Rate – Small Urban Centres

2 Average Rents – New Brunswick Urban Centres

2 Availability Rates

5 Rental Market Report Tables (Pages 5-6)

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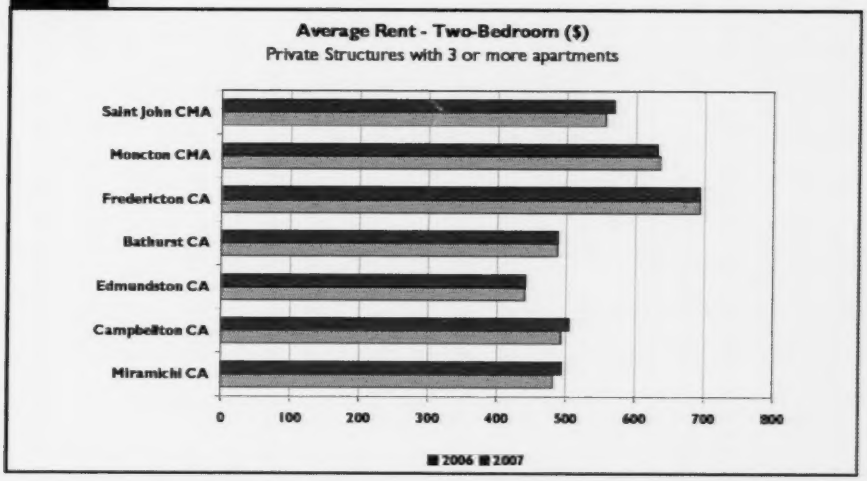
Figure 2



Overview

According to the CMHC Rental Market Survey, the vacancy rates in New Brunswick's urban areas were relatively uniform in the spring of 2007. Of these centres, only Fredericton and Moncton have experienced positive in-migration in recent years due to improving local economies. The resulting influx of people helped bolster demand for rental units. However, the resiliency of the new home and resale markets, combined with attractive conditions for construction of new rental units have lead to relatively higher vacancy rates in Fredericton and Moncton. In April, their respective vacancy rates stood at 6.8 and 6.1 per cent, the highest among the province's three large urban areas.

In Saint John, the vacancy rate was slightly lower than the provincial average at 5.7 per cent. With the possibility of a second oil refinery in Saint John inching closer to reality, rental demand will undoubtedly increase once the project is officially approved due to the large scale infusion of skilled labour required to complete construction. Accordingly, the local vacancy rate could fluctuate significantly in coming years if the supply of rental housing does not keep pace with the anticipated increase in demand.

Vacancy Rate – Small Urban Centres

In New Brunswick's smaller urban areas, the vacancy rates were similar to the province's larger centres with Miramichi being the lone exception. While the vacancy rates in Bathurst, Edmundston and Campbellton varied from a low of 6.1 per cent to a high of 7.2 per cent, the vacancy rate in Miramichi was the lowest in the province at 1.2 per cent. The Miramichi region has not experienced positive in-migration in recent years due to a decline in the region's primary resource industry, and only a limited number of units have been introduced into the local rental universe in the past five years. As a result, supply has not met demand, leading to the low vacancy rate.

Average Rents – New Brunswick Urban Centres

Due to continued in-migration in Fredericton and Moncton, the overall rent in both centres experienced upward pressure and surpassed the provincial average of $579 at $681 and $595, respectively. In contrast, with relatively flat in-migration, the average rent in Saint John was below the provincial average at $540. Similarly, the average rent in the smaller urban centres varied between $425 and $474 due to out-migration and its effect on rental unit demand.

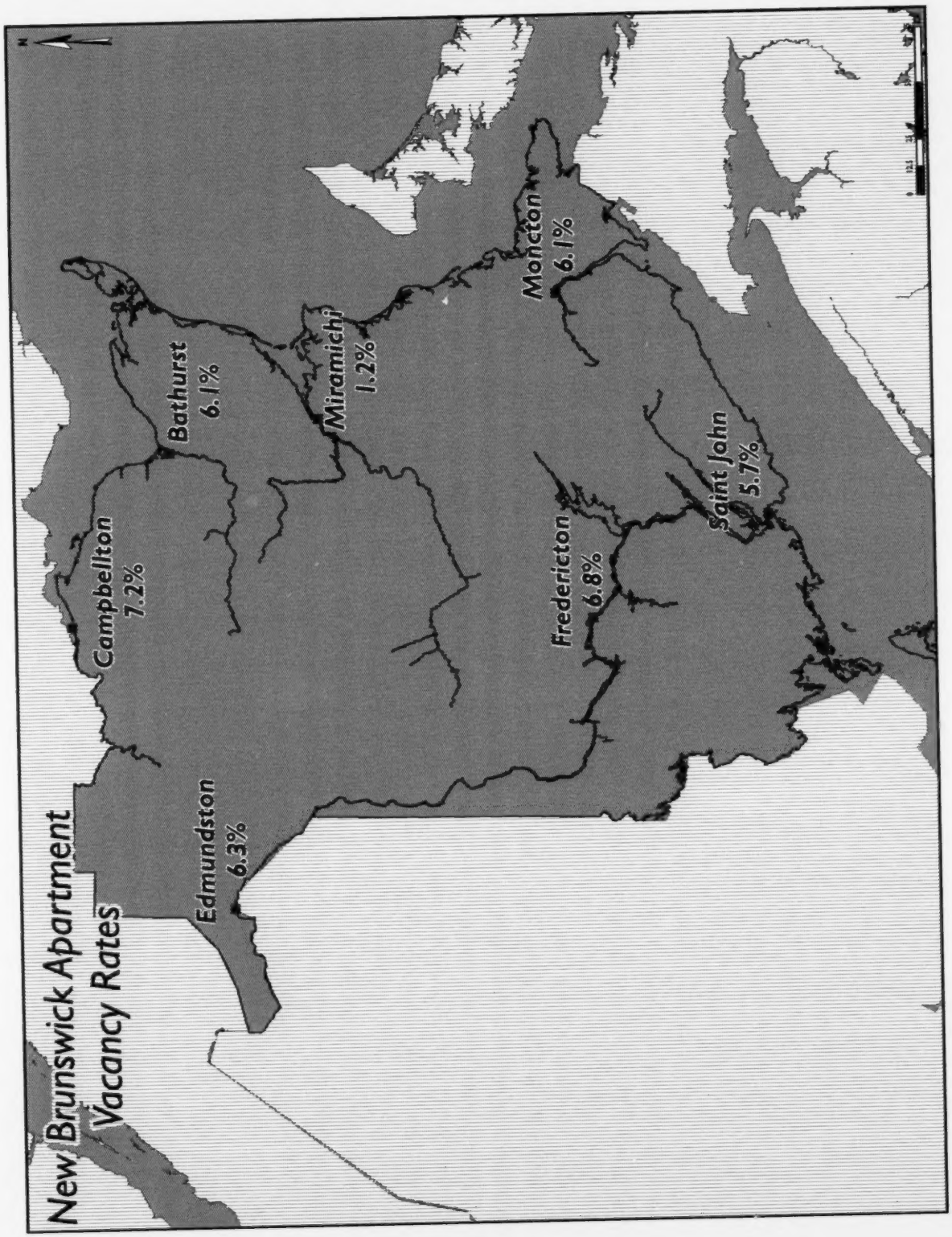
Availability Rates

The availability rate in the province reached 6.7 per cent in April of 2007. Fredericton and Moncton had identical availability rates of 6.8 per cent, slightly higher than the provincial average. Saint John matched the provincial average of 6.7 per cent. In the smaller centres, except for Miramichi, the availability rate fluctuated between 6.8 and 8.7 per cent. The rate in Miramichi was the lowest in the province at 1.4 per cent.

CAUTION

In our analysis, we have deliberately avoided making comparisons between the results of the April 2007 rental market survey and the October 2006 survey. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer.

To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, we have limited our analysis to the results of our spring 2007 Rental Market Survey and comparing these results for different centres across Canada. In spring 2008, when we have results from our second spring Rental Market Survey, we will be able to extend our analysis to make year over year comparisons.


New Brunswick Apartment Vacancy Rates
Campbellton 7.2%
Bathurst 6.1%
Miramichi 1.2%
Moncton 6.1%
Fredericton 6.8%
Saint John 5.7%
Edmundston 6.3%

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Moncton CMA	**	**	5.7 c	4.7 b	5.8 b	6.5 b	**	**	5.6 b	6.1 a
Saint John CMA	**	**	7.1 c	5.9 c	6.5 c	5.4 c	4.2 d	4.2 d	6.8 b	5.7 b
Bathurst CA	18.3 a	11.1 a	7.7 a	8.2 a	5.4 a	4.7 a	2.0 a	1.0 a	7.3 a	6.1 a
Campbellton CA	11.0 c	**	11.2 c	6.8 b	9.4 a	6.8 b	3.0 c	**	9.6 a	7.2 b
Edmundston CA	**	**	11.8 c	10.2 a	7.9 b	3.6 b	**	2.6 c	9.8 a	6.3 a
Fredericton CA	4.1 d	**	3.2 b	5.7 b	5.4 a	6.9 b	4.5 c	6.8 c	4.8 a	6.8 a
Miramichi CA	**	**	1.1 a	1.5 c	2.0 a	0.9 a	**	**	2.2 a	1.2 a
New Brunswick 10,000+	**10.0 d**	**10.5 c**	**6.2 a**	**5.8 a**	**5.9 a**	**5.9 a**	**3.8 c**	**5.2 c**	**6.0 a**	**6.0 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Moncton CMA	426 b	414 a	540 a	518 a	636 a	631 a	673 a	683 a	606 a	595 a
Saint John CMA	388 a	392 a	462 a	472 a	556 a	568 a	601 a	613 a	525 a	540 a
Bathurst CA	332 a	338 a	381 a	391 a	488 a	489 a	497 a	489 a	440 a	443 a
Campbellton CA	347 a	368 b	394 a	399 a	493 a	506 a	518 a	518 a	450 a	460 a
Edmundston CA	338 a	333 a	405 a	401 a	441 a	442 a	457 a	495 a	423 a	425 a
Fredericton CA	491 a	509 a	572 a	572 a	693 a	693 a	887 a	915 a	680 a	681 a
Miramichi CA	316 c	376 d	432 a	416 a	482 a	494 a	521 b	573 b	468 a	474 a
New Brunswick 10,000+	**411 a**	**420 a**	**496 a**	**496 a**	**609 a**	**610 a**	**690 a**	**700 a**	**577 a**	**579 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2007 by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Moncton CMA	**	398	121 b	2,569	399 b	6,181	**	512	592 a	9,660
Saint John CMA	**	455	149 c	2,504	265 c	4,895	63 d	1,499	530 b	9,352
Bathurst CA	15 a	135	25 a	305	26 a	556	1 a	103	67 a	1,099
Campbellton CA	**	40	21 b	309	27 b	404	**	67	59 b	821
Edmundston CA	**	49	49 a	480	23 b	634	2 c	80	79 a	1,242
Fredericton CA	**	378	95 b	1,672	297 b	4,319	56 c	821	489 a	7,190
Miramichi CA	**	51	3 c	201	5 a	602	**	41	10 a	895
New Brunswick 10,000+	**158 c**	**1,505**	**464 a**	**8,040**	**1,043 a**	**17,591**	**164 c**	**3,123**	**1,827 a**	**30,259**

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07	Oct-06	Apr-07
Moncton CMA	**	**	6.2 c	5.8 b	6.5 b	7.0 b	2.4 c	**	6.2 b	6.8 a
Saint John CMA	**	**	7.6 c	6.7 c	7.6 b	6.7 c	5.3 d	5.4 d	7.8 b	6.7 b
Bathurst CA	18.3 a	11.9 a	8.7 a	9.2 a	6.2 a	5.4 a	3.0 b	1.0 a	8.0 a	6.8 a
Campbellton CA	15.6 d	**	12.3 c	9.1 b	9.9 a	7.9 b	3.0 c	**	10.5 a	8.7 a
Edmundston CA	**	**	12.7 a	10.6 a	9.3 a	4.5 a	**	2.6 c	11.2 a	7.0 a
Fredericton CA	4.1 d	**	3.2 b	5.7 b	5.5 a	6.9 b	4.6 c	6.9 c	4.9 a	6.8 a
Miramichi CA	**	**	1.1 a	2.1 c	2.5 a	1.0 a	**	**	2.6 a	1.4 a
New Brunswick 10,000+	**11.3 c**	**10.5 c**	**6.7 a**	**6.5 a**	**6.6 a**	**6.6 a**	**4.6 c**	**5.9 b**	**6.7 a**	**6.7 a**

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METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

Data tables in this publication result from CMHC's Rental Market Survey and provide a snapshot of vacancy and availability rates, and average rents in both new and existing structures.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2006 data presented in this publication is based on Statistics Canada's 2001 Census area definitions. April 2007 data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement
The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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